



**Date:** January 17, 2012

**To:** Thomas Bonfield, City Manager  
**From:** Germaine Brewington, Director Department of Audit Services  
**Subject:** Transmittal of CDBG Application Process Performance Audit (December 2011)

### **Executive Summary**

The Audit Services Department completed the report on the CDBG Application Process Performance Audit dated December 2011. The purpose of the audit was to determine the adequacy of controls over the Department of Community Development's sub-recipient selection process, beneficiary selection process and contract procurement process.

### **Background**

The Community Development Block Grant (CDBG) funds are available to local municipal or county governments for projects that enhance the viability of communities. These grants provide funding for decent housing and suitable living environments and expand economic opportunities, principally for persons of low and moderate income. The Department of Community Development's (DCD) CDBG funds allocations were approximately \$1,888,987 for fiscal year 2012 and \$2,299,922 for fiscal year 2011. The DCD either administers projects in-house or uses sub-recipients to perform eligible activities. For projects administered in-house, the DCD staff can hire contractors as a part of the local CDBG Program. For projects administered in-house, the beneficiary selection process depends on the project. Some projects are regulated and a formal process is in place to identify beneficiaries, while others are identified by DCD staff based on need.

### **Issues and Analysis**

The attached report details the objectives, observations, and results of the CDBG Application Process Performance Audit dated December 2011.

### **Recommendation**

The Department of Audit Services recommends the City Council receive and accept the CDBG Application Process Performance Audit (December 2011) as presented and approved at the January 23, 2012 Audit Services Oversight Committee meeting.

Attachments